



MEMORANDUM

COMMUNITY DEVELOPMENT DEPARTMENT

DATE: May 30, 2006

TO: Mayor and Councilmembers

THROUGH: Amy Chan, City Manager

FROM: *RP* Robert Paternoster, Community Development Director

SUBJECT: Addendum to the Parking District RTC—Update to the addendum dated May 26, 2006

Attached is an addendum to the Parking District RTC. Updates are in bold.

Addendum to RTC 06-174 (May 30, 2006)

At the Tuesday May 23 Budget Workshop, the City Manager informed Council of the parking district assessment process. At that time, the City Manager commented that staff had not yet been able to share the recommendation in the RTC with property owners. Prior to preparation of the RTC, staff discussed only two options with property owners; a two-year assessment with no increase and a five-year assessment with a 10% increase. The recommendation of two-year assessment with a 9% increase in the RTC was not discussed with property owners as the recommendation evolved from staff discussions as the RTC was being prepared. During the preparation of the RTC, staff noted that the Parking District Fund did not follow the City's policy of being balanced to the 20th year. Therefore, staff applied the Twenty-Year Resource Allocation Plan (RAP) to the Parking District Fund, spreading out the life of the reserves for a 20 year period.

Since the Budget Workshop, staff sent a notice to all property owners within the district boundaries informing them of staff's recommendation and offering to meet with anyone who had questions prior to the City Council meeting on May 30. Staff also called those property owners for whom staff had phone numbers and offered to meet on Thursday, May 25 or Friday, May 26, 2006.

Two property owners attended the Thursday May 25 meeting and informed staff that they do not support the staff recommendation to spread the use of the parking district reserves over a 20 year period. They stated that reserves should be used to offset the current assessment until the Mall and Town Country are redeveloped. They further stated that the downtown merchants are still recovering and that many cannot afford an increase at this time. They would like another two-year assessment to determine how the Mall and Town & Country will change the character of the district. They said that once all the projects are completed, the district may need to be reconfigured and are willing to work with the City to develop the long-term district maintenance plan. They understand that if all the reserves are used, they will have to pay for the entire maintenance budget and it may mean a higher assessment increase in the future.

Staff explained the reason for the recommendation and reminded the property owners that they could attend the Council meeting on May 30, 2006 to voice their opinion. Staff also reminded the property owners that it is their responsibility to notify their tenants of the assessment as most of the property owners pass on the assessment cost to their tenants.

No one attended the May 26 time slot reserved to discuss this issue.

If an assessment is approved with no increase over FY 2005/06, the increase in assessment will be substantial at the time the reserves are depleted. For example, assuming a two-year assessment cycle with no increase until the reserves are depleted, property owners will see a 23% increase in assessment in FY 2010/11, 33% in FY 2012/13, and leveling out to about seven percent thereafter (See Attachment A). If however, an assessment is approved with no increase and assuming no vote is taken until the reserves are depleted, property owners will see a 25.5% increase in assessment in FY 2011/12, 34.6% in FY 2012/13, and leveling out to about three percent thereafter (See Attachment B). Increases will be necessary as the expenses to maintain the district parking lots increase each fiscal year.

Staff is recommending a two -year assessment with a 9% increase over FY 2005/06 and every two years thereafter (See Attachment E in RTC 06-174).

**CITY OF SUNNYVALE
245. PARKING DISTRICT FUND
LONG TERM FINANCIAL PLAN
JULY 1, 2005 TO JUNE 30, 2016**

	ACTUAL 2004/2005	CURRENT 2005/2006	PROPOSED 2006/2007	PROPOSED 2007/2008	PLAN 2008/2009	PLAN 2009/2010	PLAN 2010/2011	PLAN 2011/2012	PLAN 2012/2013	PLAN 2013/2014	PLAN 2014/2015	PLAN 2015/2016	FY 2005/2006 TO FY 2015/2016 TOTAL
RESERVE/FUND BALANCE, JULY 1	477,689	482,720	311,559	275,617	220,188	171,532	99,585	65,719	1,365	12,374	3,188	17,267	482,720
CURRENT RESOURCES:													
Special Assessment	151,986	153,263	147,266	147,266	147,266	147,266	181,137	181,137	240,912	240,912	257,776	257,776	2,101,979
Interest Income	14,145	11,310	13,200	10,485	9,710	5,640	3,136	77	700	180	977	492	55,907
TOTAL CURRENT RESOURCES	166,131	164,573	160,466	157,751	156,976	152,906	184,273	181,214	241,612	241,092	258,754	258,268	2,157,886
TOTAL AVAILABLE RESOURCES	643,820	647,293	472,025	433,368	377,164	324,438	283,858	246,933	242,977	253,466	261,942	275,535	2,640,608
CURRENT REQUIREMENTS:													
In-Lieu Charges	11,896	12,280	16,687	17,032	17,543	18,069	18,611	19,170	19,745	20,337	20,947	21,590	202,011
Operations - Landscape/Parking Lots	146,315	150,000	166,613	170,064	174,140	179,396	184,817	197,701	195,345	199,868	207,366	213,738	2,039,049
Operations - Administration	0	0	9,608	9,958	10,307	10,610	10,921	11,242	11,572	11,912	12,262	12,622	111,015
Special Projects	2,889	15,500	3,500	16,126	3,641	16,778	3,789	17,456	3,942	18,161	4,101	18,894	121,887
Capital Projects	0	157,954	0	0	0	0	0	0	0	0	0	0	157,954
TOTAL CURRENT REQUIREMENTS	161,100	335,734	196,408	213,180	205,632	224,853	218,139	245,568	230,603	250,278	244,675	266,845	2,631,916
RESERVES:													
20 Year RAP	482,720	311,559	275,617	220,188	171,532	99,585	65,719	1,365	12,374	3,188	17,267	8,690	8,690
TOTAL RESERVES	482,720	311,559	275,617	220,188	171,532	99,585	65,719	1,365	12,374	3,188	17,267	8,690	8,690
FUND BALANCE, JUNE 30	0	0	0	0	0	0	0	0	0	0	0	0	0
Assessment Rate Increase Required							23.00%		33.00%		7.00%		

CITY OF SUNNYVALE
245. PARKING DISTRICT FUND
LONG TERM FINANCIAL PLAN
JULY 1, 2016 TO JUNE 30, 2026

	PLAN 2016/2017	PLAN 2017/2018	PLAN 2018/2019	PLAN 2019/2020	PLAN 2020/2021	PLAN 2021/2022	PLAN 2022/2023	PLAN 2023/2024	PLAN 2024/2025	PLAN 2025/2026	FY 2016/2017 TO FY 2025/2026 TOTAL	FY 2005/2006 TO FY 2025/2026 TOTAL
RESERVE/FUND BALANCE, JULY 1	8,690	24,979	15,777	32,897	22,819	40,683	29,514	44,613	28,472	33,009	8,690	482,720
CURRENT RESOURCES:												
Special Assessment	275,821	275,821	295,128	295,128	315,787	315,787	334,734	334,734	348,124	348,124	3,139,190	5,241,168
Interest Income	1,634	1,032	2,152	1,493	2,661	1,931	2,919	1,863	2,597	1,162	19,444	75,351
TOTAL CURRENT RESOURCES	277,455	276,853	297,280	296,621	318,449	317,718	337,653	336,597	350,721	349,286	3,158,634	5,316,518
TOTAL AVAILABLE RESOURCES	286,145	301,832	313,057	329,518	341,268	358,401	367,167	381,210	379,193	382,295	3,167,325	5,799,242
CURRENT REQUIREMENTS:												
In-Lieu Charges	22,454	23,352	24,286	25,257	26,268	27,318	28,411	29,547	30,729	31,959	269,586	471,598
Operations - Landscape/Parking Lots	221,243	229,022	237,085	245,444	254,109	263,092	272,405	282,060	292,071	301,993	2,598,524	4,637,574
Operations - Administration	13,119	13,636	14,173	14,732	15,312	15,916	16,543	17,195	17,873	18,578	157,076	268,090
Special Projects	4,351	20,045	4,615	21,266	4,897	22,561	5,195	23,935	5,511	25,393	137,768	259,655
Capital Projects	0	0	0	0	0	0	0	0	0	0	0	157,954
TOTAL CURRENT REQUIREMENTS	261,166	286,055	280,160	306,699	300,585	328,887	322,554	352,738	346,184	377,921	3,162,953	5,794,870
RESERVES:												
20 Year RAP	24,979	15,777	32,897	22,819	40,683	29,514	44,613	28,472	33,009	4,374	4,374	4,374
TOTAL RESERVES	24,979	15,777	32,897	22,819	40,683	29,514	44,613	28,472	33,009	4,374	4,374	4,374
FUND BALANCE, JUNE 30	0	0	0	0	0	0	0	0	0	0	(3)	(2)
Assessment Rate Increase Required	7.00%		7.00%		7.00%		6.00%		4.00%			

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RESERVE/FUND BALANCE, JULY 1	477,689	482,720	311,559	275,617	240,784	200,467	150,173	64,981	0	0	0	0	482,720
CURRENT RESOURCES:													
Special Assessment	151,986	153,263	147,266	147,266	147,266	147,266	147,266	184,800	248,764	256,056	263,570	271,406	2,114,189
Interest Income	14,145	11,310	13,200	10,485	9,710	5,640	3,136	0	0	0	0	0	53,481
TOTAL CURRENT RESOURCES	166,131	164,573	160,466	157,751	156,976	152,906	150,402	184,800	248,764	256,056	263,570	271,406	2,167,670
TOTAL AVAILABLE RESOURCES	643,820	647,293	472,025	433,368	397,760	353,373	300,575	249,781	248,764	256,056	263,570	271,406	2,650,392
CURRENT REQUIREMENTS:													
In-Lieu Charges	11,896	12,280	16,687	17,032	17,543	18,069	18,611	19,170	19,745	20,337	20,947	21,590	202,011
Operations - Landscape/Parking Lots	146,315	150,000	166,613	170,064	174,140	179,396	184,817	197,701	195,345	201,262	207,366	213,738	2,040,444
Operations - Administration	0	0	9,608	1,917	1,968	2,020	10,921	11,242	11,572	11,912	12,262	12,622	86,045
Special Projects	2,889	15,500	3,500	3,570	3,641	3,714	21,244	21,669	22,103	22,545	22,995	23,455	163,937
Capital Projects	0	157,954	0	0	0	0	0	0	0	0	0	0	157,954
TOTAL CURRENT REQUIREMENTS	161,100	335,734	196,408	192,584	197,293	203,200	235,594	249,781	248,764	256,056	263,570	271,406	2,650,391
RESERVES:													
20 Year RAP	482,720	311,559	275,617	240,784	200,467	150,173	64,981	0	0	0	0	0	0
TOTAL RESERVES	482,720	311,559	275,617	240,784	200,467	150,173	64,981	0	0	0	0	0	0
FUND BALANCE, JUNE 30	0	0	0	0	0	0	0	0	0	0	0	0	0
Assessment Rate Increase Required								25.49%	34.61%	2.93%	2.93%	2.97%	

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RESERVE/FUND BALANCE, JULY 1	0	0	0	0	0	0	0	0	0	0	0	482,720
CURRENT RESOURCES:												
Special Assessment	280,975	290,893	301,175	311,832	322,880	334,333	346,206	358,515	371,277	384,508	3,302,596	5,416,784
Interest Income	0	0	0	0	0	0	0	0	0	0	0	53,481
TOTAL CURRENT RESOURCES	280,975	290,893	301,175	311,832	322,880	334,333	346,206	358,515	371,277	384,508	3,302,596	5,470,264
TOTAL AVAILABLE RESOURCES	280,975	290,893	301,175	311,832	322,880	334,333	346,206	358,515	371,277	384,508	3,302,597	5,952,988
CURRENT REQUIREMENTS:												
In-Lieu Charges	22,454	23,352	24,286	25,257	26,268	27,318	28,411	29,547	30,729	31,959	269,583	471,594
Operations - Landscape/Parking Lots	221,243	229,022	237,085	245,444	254,109	263,092	272,405	282,060	292,071	302,450	2,598,982	4,639,425
Operations - Administration	13,119	13,636	14,173	14,732	15,312	15,916	16,543	17,195	17,873	18,578	157,076	243,121
Special Projects	24,159	24,884	25,630	26,399	27,191	28,007	28,847	29,713	30,604	31,522	276,957	440,894
Capital Projects	0	0	0	0	0	0	0	0	0	0	0	157,954
TOTAL CURRENT REQUIREMENTS	280,975	290,893	301,175	311,832	322,880	334,333	346,206	358,515	371,277	384,508	3,302,597	5,952,988
RESERVES:												
20 Year RAP	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL RESERVES	0	0	0	0	0	0	0	0	0	0	0	0
FUND BALANCE, JUNE 30	0	0	0	0	0	0	0	0	0	0	0	0
Assessment Rate Increase Required	3.53%	3.53%	3.53%	3.54%	3.54%	3.55%	3.55%	3.56%	3.56%	3.56%		